



Related MLN Matters Article #: MM5211 **Revised**

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2007 Update of HCPCS Codes and Payments for Ambulatory Surgical Centers (ASCs)

Key Words

MM5211, CR5211, R1134CP, HCPCS, ASC, Ambulatory

Provider Types Affected

ASCs submitting claims to Medicare Carriers or Fiscal intermediaries (FIs) for ASC services provided to Medicare beneficiaries

Note: MLN Matters article MM5211 was revised on January 24, 2008, to add a reference to SE0742. SE0742 announced that CMS was implementing significant revisions to the payment system for ASC services beginning with services rendered on or after January 1, 2008. SE0742 may be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/se0742.pdf> on the CMS website.

Key Points

- The effective date of the instruction is January 1, 2007.
- The implementation date is January 2, 2007.
- Section 5103 of the Deficit Reduction Act of 2005 (DRA) limits ASC payments to:
 - The lesser of the Medicare Hospital Outpatient Prospective Payment System (OPPS) payment amount; or
 - The ASC payment amount for services furnished on or after January 1, 2007.
- Also, §1833(i)(1) of the Social Security Act requires that the list of payable ASC procedures be updated at least every two years.
- Change Request (CR) 5211 implements the required biennial ASC update, which includes changes made by the American Medical Association for the Calendar Year (CY) 2007 Common Procedural Terminology (CPT).
- These changes include replacing the ASC 2-digit payment group code designation next to the ASC-approved Healthcare Common Procedure Coding System (HCPCS) codes with a "yy" designation for

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these codes, which will be defined as “the procedure is approved to be performed in an ambulatory surgical center.”

- CR5211 also revises the manner in which ASC payment groups are defined.
 - The number of ASC payment groups that carriers and FIs currently use to identify ASC payment amounts for individual HCPCS codes is being expanded in order to accommodate the new payment amounts that will be assigned to certain ASC services in CY 2007 under the DRA requirement.
 - The ASC payment groups will now be called ASC PRICER groups.
- The additional ASC PRICER groups reflect the DRA-driven payment amounts, which will be included in the ASC PRICER files that carriers and certain FIs use to process ASC facility claims.
- CR5211 also includes payment file retrieval instructions that the provider's carrier and FI will use to access the final payment files on, or after, the specified retrieval date provided in the Centers for Medicare & Medicaid Services (CMS) notification.
- Providers should be aware that final ASC payment rates are established after publication of the OPPS final rule, and the code change update will be published as part of the OPPS final rule in the Federal Register.
- This publication usually occurs in late October. Shortly after publication, providers can reach this rule through a link at <http://www.cms.hhs.gov/center/asc.asp> on the CMS website.
- The provider's carrier and FI will continue to use the wage index values contained in Transmittal 51, dated February 6, 2004, to calculate payment amounts for all type of service F HCPCS codes until further notice. This transmittal is available at <http://www.cms.hhs.gov/Transmittals/downloads/R51OTN.pdf> on the CMS website.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5211.pdf> on the CMS website.

The official instruction (CR5211) issued regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1134CP.pdf> on the CMS website.

The “2007 ASC Approved HCPCS Codes and Payment Rates” changes are available at

http://www.cms.hhs.gov/ASCPayment/01_Overview.asp on the CMS website.

If providers/suppliers have questions, they may contact their Medicare carrier or fiscal intermediary (FI) at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.